(a) No. Sir.

(b) Does not arise.

(c) The Constitution of India does not envisage issuing of any administrative instructions to regulate functioning of judges of the Supreme Court and High Courts.

रिलायन्स इंडस्ट्रीज लिमिटेड

2208. **श्री मोहम्मद अफजल उर्फ मीम अफजल :** क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि रिलायन्स इन्डस्ट्रीज लिमिटेड द्वारा वर्ष 1992-93 के लिये प्रकाशित वार्षिक समीक्षा में भारी पैमाने पर हेराफेरी करके शेयरधारकों को गुमराह करने का प्रयास किया है; और

(ख) यदि हाँ, तो सरकार द्वारा इस संबंध में क्या कार्यवाही करने का प्रस्ताव है ?

विधि, न्याय तथा कम्पनी कार्य मंत्रालय में राज्य मंत्री (श्री हंस राज भारद्वाज) : (क) उपलब्ध सूचना के अनुसार, रिलायन्स इंडस्ट्रीज लिमिटेड द्वारा वर्ष 1992-93 के लिए कोई वार्षिक समीक्षा प्रकाशित नहीं की गई है । कम्पनी ने यह भी सूचित किया है कि उसने वर्ष 1992-93 के लिए वार्षिक समीक्षा को न तो मुद्रित किया है और न ही किसी मीडिया के माध्यम से मुद्रित करवाने के लिए किसी को प्राधिकृत किया है ।

(ख) प्रश्न नहीं उठता ।

Prosecution of Companies

2209. DR. SANJAY SINH : Will the PRIME MINISTER be pleased to state :

(a) whether Government propose to vest the power to prosecute the companies solely with the concerned Department;

(b) whether it is also a fact that the Securities and Exchange Board of India is not proposed to be given any such powers by Government; and

(c) if so, what are the details in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) As per provisions of Section 621 of the Companies Act, 1956, prosecution in respect of offences under the Act, may be filed by the Registrar of Companies or any shareholder of the Company or any person authorised by the Central Government, in this behalf.

(b) and (c) It has not been considered necessary to delegate power for prosecution to Securities and Exchange Board of India (SEBI) under the Companies Act. SEBI can, however, refer cases for Violation of Companies Act, 1956 where prosecution is so warranted, to the Department of Company Affairs for initiating appropriate action to prosecute the offender. During the year 1991-92, 87 prosecutions were filed for investors related violation under Sections 58 A, 73 (2 B) and 113 of the Act.

Recodification of Companies Act, 1956

2210. MISS SAROJ KHAPARDE : Will the PRIME MINISTER be pleased to state :

(a) whether Government have since recodified or propose to recodify the Companies Act, 1956 to bring it in tune with the new economic regime of decontrol and deregulation; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ) : (a) and (b) The Companies Bill 1993 introduced in Rajya Sabha on 14-5-93 seeks to deregulate and simplify the provisions of the Companies Act, 1956. The objects and salient features of the Bill are as under :—

(a) simplification of the incorporation procedure by spelling out inherent powers of companies in the Act itself so that companies do not have to state these in the Memorandum of Association;

(b) providing for alteration of the objects clause of the Memorandum of Association of companies by way of a special resolution without need to seek confirmation from the Company Law Board;

(c) doing away with the requirement of holding statutory meeting and filling a statutory report after incorporation, as these have been found to serve no purpose;

(d) exempting the requirement of endorsement on the share transfer deed where transactions are of nominal value;

(e) providing for free transferability of shares/debentures and restricting the right of companies to refuse transfer only on specified grounds;

(f) exempting private companies from the requirement of becoming deemed

public companies on the basis of turnover and acceptance of deposists from public;

(g) doing away with the requirement of approval by Central Government for appointment of sole selling agents for exports;

(h) simplifying the procedure for winding up of companies and making an enabling provision for appointment of professionally qualified persons as Official Liquidators for expeditious completion of the winding up proceedings.

Small scale sector under Cost Audit

2211. SHRI. J. S. RAJU:
SHRI RAJANI RANJAN SAHU:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that small scale sector units having turnover of more than Rs. 10 lakhs have been brought under Cost Audit;

(b) when was the notification bringing about this change was issued and what are the salient features of this notification;

(c) the number of small scale sector units brought within the ambit of Cost Audit after the issuance of said notification, industry-wise;

(d) what are the industries under Cost Audit at present and what are the new industries brought under Cost Audit during the last three years and what are the industries which have been identified to be brought under Cost Audit;

(e) when would it be done and what are the reasons for delay; and

(f) what is the maximum penalty imposable in case the company does not have its cost records audited?

THE MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI H. R. BHARDWAJ): (a) and (b) Government has issued a notification on 24-3-93, *inter alia*, stipulating that henceforth, wherever, the aggregate value of the realisation made by a Small Scale Industrial Undertaking from the sale or supply of all its products during the preceding financial year exceeds rupees ten crores, such an undertaking will be covered by the relevant Cost Accounting Records Rule and audit thereof.

(c) to (e) The list of products which are subject to cost audit including the products brought under cost audit during the last three years is given in enclosed statement (*See* below). Besides this, Toiletries, Soaps and Detergents, Insecticide Formulations, Footwear, Industrial Gases, Shaving Blades, Watches, Milk Preparations, Processed Foods, Knitted and Woven Woollen Fabrics and man-made Fabrics have been identified for the purpose of prescribing Cost Accounting Record Rules. These items will be subjected to cost audit after the Cost Accounting Records Rules in respect of such items are notified in consultation with the industry and other concerned organisations.

(f) If default is made by any company in complying with the Cost Audit Order issued under Section 233B of the Companies Act, 1956, the company shall be liable to be punished with fine which may extend to five thousand rupees, and every officer of the company who is in default shall be liable to be punished with imprisonment for a terms which may extend to three years, or with fine which may extend to five thousand rupees or with both.

Statement

List of products for which Cost Accounting Records Rules have been prescribed under Section 209(1) (d) of the Companies Act, 1956

Sl. No.	Name of the Product
1.	Cement
2.	Cycles
3.	Rubber Tyres and Tubes
4.	Caustic Soda
5.	Room Air Conditioners
6.	Refrigerators
7.	Automobile Batteries
8.	Electric Lamps
9.	Electric Fans
10.	Electric Motors
11.	Motor Vehicles
12.	Tractors
13.	Aluminium
14.	Vanaspati
15.	Bulk Drugs
16.	Sugar
17.	Infant Milk Food